

# **Background Investigations**

**Corporate Policies**

## **Comptroller's Corporate Manual**

**Washington, DC  
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This booklet should be used together with other booklets of the *Comptroller's Corporate Manual*. Users of this booklet also should refer to the "[General Policies and Procedures](#)" (GPP) booklet for discussion of general filing instructions and procedures. Background investigations are performed routinely on filings discussed in the following booklets: "[Change in Bank Control](#)," "[Changes in Directors and Senior Executive Officers](#)," "[Charters](#)," "[Conversions](#)," "[Director Waivers](#)," "[Failure Acquisitions](#)," and "[Federal Branches and Agencies](#)."

## Applicability

This booklet incorporates policies and procedures used by the Comptroller of the Currency (OCC) to review the background of persons and certain companies (filers) interested in entering the national banking system, acquiring control of a national bank, and/or influencing its operations. This booklet details the standard mandatory checks required for U.S. citizens and foreign nationals; discusses additional standard mandatory checks for foreign nationals; and describes other optional background checks for certain applications, notices, and notices required by Section 914 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) or 12 CFR 5.51.

## Key Policies

For certain corporate filings, the OCC performs background investigations on persons proposed as organizers, senior executive officers, directors, and principal shareholders of national banks, or as managers of federal branches or agencies. Those investigations are conducted to determine if those proposed have the experience, competence, integrity, character, financial ability, and willingness to direct and/or lead a bank's affairs in a safe, sound, and legal manner. The OCC will scrutinize closely a filer whose previous experience is tied to a failed or problem financial institution or other situation that may raise questions about personal or fiduciary integrity. The OCC may share with other federal financial institution regulators any information received as a result of its background investigations.

## Summary of Process

Whenever a filer seeks entry into the national banking system as an organizer, senior executive officer, director, or principal shareholder (e.g., proposing to acquire 10 percent or more of the stock) of a proposed new national bank, or as a manager of a federal branch or agency, the OCC generally requires that person to submit an [Interagency Biographical and](#)

[Financial Report](#) with the appropriate filing. The OCC also generally requires submitting those reports with the following types of filings: changes in bank control, changes in directors or senior executive officers when required under Section 914 of FIRREA or 12 CFR 5.51, conversions, director waivers, and failure acquisitions. The Interagency Biographical and Financial Report never is filed as a stand alone document; rather, it is an attachment to other filings submitted to the OCC.

All information in each corporate filing is reviewed and may be verified. Any material misrepresentation or omission of fact generally will result in disapproval. The OCC may disapprove a corporate filing and take action against any filer, including referral for criminal action, if it determines that the materials submitted were misrepresented or omitted in an attempt to mislead the OCC.

## **Specific Requirements**

### **Standard Background Checks**

The OCC performs standard background checks through the:

- Drug Enforcement Administration.
- Federal Bureau of Investigation (FBI) (fingerprint check requests).
- Internal Revenue Service (IRS) Tax Check Program.
- United States Customs Service.
- LEXIS-NEXIS.

LEXIS-NEXIS is an on-line service that contains a compilation of data on legal, news, and business information. A number of databases on LEXIS are checked in a background investigation, including the docket library, which shows sanctions by banking and securities agencies, etc. Other areas reviewed include Liens, Assets, and Insolvency.

- Financial Crimes Enforcement Network (FinCEN).

The FinCEN is an interagency database of persons named in Suspicious Activity Reports. Those persons are believed to have participated in known or suspected criminal violations, or suspicious transactions related to potential money laundering offenses or Bank Secrecy Act violations.

- Enforcement Action Report System (EARS).

The EARS is an OCC system that contains historical criminal referral information, and information on persons who have been subject to administrative enforcement actions (e.g., civil money penalties and removals), change in bank control, and notice of new director and senior executive officer declinations by the federal banking regulatory agencies.

EARS maintains financial institution regulatory agencies' records when the filers have been involved with financial institutions under another agency's jurisdiction (e.g., the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board (FRB), the Office of Thrift Supervision (OTS), or the National Credit Union Administration (NCUA)).

## Foreign Nationals' Background Checks

The OCC performs additional background checks on foreign nationals seeking entry into the national banking system. Those standard foreign national background checks are performed to obtain information similar to that compiled on U.S. citizens and are conducted in cooperation with the:

- Central Intelligence Agency (CIA).
- Interpol.
- U.S. Department of State.
- U.S. Immigration and Naturalization Service.

The OCC requests the submission of its [Foreign Certification](#) document to local officials in the person's home country, so that they may attest to that person's integrity and financial capacity.

## Background Information Checks on Japanese Nationals

The OCC and the Banking Inspection Department at the Ministry of Finance of Japan have agreed to certain procedures for background information checks (or police certificates) on Japanese nationals entering the U.S. banking market. The procedures require each person seeking entry into the national banking system to obtain his or her own record. Licensing staff should provide the background check request letter to each involved person. In turn, those people will present this letter to the National Police Agency, which will provide a written response to the person in a sealed envelope. The Japanese national will forward the sealed envelope to the OCC.

## Optional Background Checks

The OCC will pursue additional background checks when deemed appropriate. Such checks may include, but are not limited to, requests for background information from the:

- Central Intelligence Agency (CIA).
- Commodity Futures Trading Commission (CFTC).
- Credit bureaus.
- Federal, state, and local law enforcement agencies.
- Federal Bureau of Investigation (FBI) (name check requests).
- Federal Trade Commission.
- Interpol.
- Local court records.
- National Association of Securities Dealers (NASD).
- Newspapers and periodicals.
- Securities Exchange Commission (SEC).
- U.S. Immigration and Naturalization Service.
- U.S. Department of State.

## Fingerprint Cards/IRS Tax Check Waiver

To proceed with background checks, persons seeking entry into the national banking system must complete certain forms. Fingerprint cards and IRS Tax Check Waiver forms should be obtained from the appropriate OCC district office and completed. The fingerprint cards can be completed at the local police or law enforcement office where fingerprinting services are available.

## Waivers

The OCC, in individual cases, may waive the standard background checks, if the performance of the check would be redundant or would not serve the OCC's purposes for background investigations. However, Licensing staff



will document all background check waivers, including the rationale for the waiver.

The OCC routinely may waive background checks for filers, if the filer is serving as a senior director or officer of an "eligible" depository institution,<sup>1</sup> the institution's current regulatory agency reports no adverse information, and a search on EARS and the FinCEN databases reveal no derogatory information.

If the OCC is ready to approve an application for which it has not received responses on all of its background check inquiries and there is no reason to believe that any detrimental information will be forthcoming from the unanswered inquiries, the OCC may approve the application by inserting the following reminder into the approval letter:

Background checks requested by the OCC have not been received yet. Although we have decided not to delay action pending receipt of those responses, the OCC may consider remedies available to us if adverse or previously withheld information is received.

## Adverse Information

If the background investigation provides adverse information on a filer, the OCC must notify and allow the filer to complete, correct, or challenge the information prior to the OCC making a decision. The filer will be instructed to refer to 28 CFR 16.34 for specific guidance and to provide the OCC with a written response within 15 days of receipt of the OCC's notification.

## Changes in Bank Control

The Change in Bank Control Act requires federal banking agencies to prepare and to retain, as a record of the agency, a report of any investigations it conducts. Licensing staff use the Background Investigation Checklist for this purpose and attach it to each confidential memorandum.

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<sup>1</sup>An "eligible" depository institution includes national banks, state banks, or federal or state savings associations that: 1) are well capitalized as defined in 12 CFR 6.4(b)(1); 2) have composite ratings of 1 or 2 under the Uniform Financial Institutions Rating System; 3) have Community Reinvestment Act, 12 USC 2901 et seq., ratings of "Outstanding" or "Satisfactory;" and 4) are not subject to a cease and desist order, consent order, formal written agreement, or Prompt Corrective Action directive (see 12 CFR 6, subpart B) or, if subject to any such order, agreement, or directive, is informed in writing by the OCC that the bank still may be treated as an "eligible bank" for a corporate transaction. The third (CRA) factor does not apply to an uninsured bank or branch or a special purpose bank covered by 12 CFR 25.11(c)(3).

## Charters and Federal Branches or Agencies

The selection of competent senior executive officers reflects favorably upon applications. The OCC has developed a tool to assist banks in selecting management officials (see the [Appendixes—Management Review Guidelines](#)). Directors may use this tool as a guideline for obtaining relevant work experience about proposed management officials. When an organizing group for a new bank charter elects not to disclose the proposed CEO's name at the time the charter application is filed, the proposed CEO still must complete and submit the [Interagency Biographical and Financial Report](#). All questions should be answered, except those that disclose identifying information.

Identifying information generally is considered to include the person's name, address, social security number, the name(s) of the financial institution(s) where the person is employed, other organizations where the person is affiliated as an officer, and information which, by its nature, would readily identify the proposed CEO.

When the name of a proposed CEO is treated as confidential in a filing or is not disclosed at the time of the filing, the background check is performed after the preliminary approval.

The CEO and all executive officer positions, in a new bank charter or federal branch or agency, must receive OCC approval prior to employment. Adverse information about the proposed CEO could reflect negatively on the filing and cause the OCC to reconsider its preliminary approval.

If a proposed officer requests that his/her present employer(s) not be contacted, the OCC will determine whether the information is needed and would be available through alternative sources. The OCC will notify the proposed officer in advance, if it needs to contact the current employer(s).

## Depository Institutions Management Interlocks Act (DIMIA)

The OCC may approve an otherwise prohibited interlocking management relationship, if the interlock would:

- Improve the provision of credit to low- and moderate-income areas.
- Increase the competitive position of a minority- or women-owned institution.
- Strengthen the management of an institution that has been chartered for less than two years or one that is in an unsafe or unsound condition.

Banks requesting an exemption should provide information to the OCC to support the proposed interlock. They should also submit the qualifications of the proposed management official (see the [Appendixes—Management Review Guidelines](#) and the "[Management Interlocks](#)" booklet).

## Convicted Persons

Persons convicted of a crime involving dishonesty, breach of trust, or money laundering are prohibited, under 12 USC 1829, from participating in the affairs of an insured depository institution without prior consent of the FDIC. Additionally, this section provides that conviction for certain enumerated violations pertaining to financial institution-related crimes precludes the FDIC for 10 years from considering or consenting to an application filed by a person convicted of such offense. The OCC consults with the FDIC when a filer would be subject to 12 USC 1829.



OMB No. for FDIC 3064-0006  
OMB No. for FRB 7100-0134  
OMB No. for OCC 1557-0014  
OMB No. for OTS 1550-0047  
Expiration Date: January 31, 2000

## Interagency Biographical and Financial Report

Public reporting burden for this collection of information is estimated to average 2 hours for biographical information and 2 hours for financial information. This estimate includes time to gather and maintain data in the required form, to review instructions, and to complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429; Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Licensing Policy and Systems Division, Comptroller of the Currency, 250 E Street, SW, Washington, DC 20219; or Corporate Activities Division, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552; and to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

An organization or a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

## General Information and Instructions

This *Interagency Biographical and Financial Report* (report) is used by individuals<sup>1</sup> in conjunction with other corporate filings to the appropriate regulatory agency. This report is **not** a stand alone document.

### Preparation

Use of this report is not mandatory. Alternative formats, if used, however, must provide all requested information, including the certification of correctness. All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," or "unknown," so state. Answers of "unknown" should be explained. The questions are not intended to duplicate information supplied on another form or in an exhibit; a cross reference to the information is acceptable. If this report is used, questions should be answered in the space provided. Use additional sheets as necessary. Each regulatory agency will provide additional instructions for use and preparation. If the report is not complete, the regulatory agency may either request additional information or return the filing. If you are a foreign national or a United States citizen who

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<sup>1</sup>A **company** seeking to directly or indirectly acquire control of a bank or thrift should consult with the appropriate regulatory agency for filing instructions.

currently resides in a foreign country, additional information will be necessary.

Financial statements from individuals must be submitted as of a date not more than 90 days prior to the date the financial report is submitted. All amounts in this report must be based on current market value in United States dollars, rounded to the nearest thousand dollars, and agree with any totals in the supplementary schedules. In addition to the sample financial schedules, you may wish to provide supplementary schedules for other items on the financial statement. If the sample financial statement is used, an answer is required to each item. If the filer chooses to use another format, the information filed must be responsive to each request for information contained in the sample format. In addition, each regulatory agency specifically reserves the right to require up to five years of financial data from any acquiring person as well as the filing of additional information and/or statements, such as a federal income tax return or a current appraisal to support an asset's value.

If a filer has been convicted of any criminal offense involving dishonesty, breach of trust, or money laundering, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution of such offense (12 USC 1829), the filer must obtain approval from the FDIC before being employed in or being an affiliated party with a depository institution.

Each filer must report promptly any material change in the biographical report and/or financial condition that occurs during the review period for this filing. For additional information regarding the processing procedures and guidelines and any supplemental information that may be required, please refer to the appropriate regulatory agency's procedural guidelines (i.e., *Comptroller's Corporate Manual*, the FRS' *Processing Applications Through the Federal Reserve System* and the *Applications Procedures Manual*, the FDIC's Rules and Regulations (12 CFR Part 303), or OTS' *Application Processing Handbook*) or contact the agency directly for specific instruction.

## **Confidentiality**

In general, requests for confidential treatment of specific portions of the application must be submitted in writing concurrently with the submission of the application and must discuss the justification for the requested treatment. Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (e.g., to its competitive position, invasion of privacy) that would result from public release of information (5 USC 552). Information for which confidential treatment is requested should be (1) specifically identified in the public portion of the application (by reference to the confidential section; (2) separately bound; and (3) labeled "Confidential." Applicant should follow the same procedure regarding a request for

confidential treatment with regard to the subsequent filing of supplemental information to the application.

An applicant should contact the appropriate regulatory agency for specific instructions regarding requests for confidential treatment. The appropriate regulatory agency will determine whether the information submitted as confidential will be so regarded and will advise the applicant of any decision to make available to the public information labeled as "Confidential."

# Interagency Biographical and Financial Report Form

This is filed with respect to:

\_\_\_\_\_  
Name of Subject Institution or Holding Company, Location

## Type of Filing

- ☐ Bank/Thrift Charter
- ☐ Bank/Thrift Holding Company
- ☐ Change in Bank Control
- ☐ Change in Senior Executive Officer or Director
- ☐ Citizenship Waiver
- ☐ Charter Conversion
- ☐ Deposit Insurance
- ☐ Federal Branch or Agency
- ☐ Other \_\_\_\_\_

## Position

- ☐ Organizer
- ☐ Director
- ☐ Senior Executive Officer
- ☐ Principal Shareholder
- ☐ Trustee
- ☐ Manager
- ☐ Other \_\_\_\_\_

## BIOGRAPHICAL REPORT

### 1. Personal Information

a. Name:

\_\_\_\_\_  
Last First Middle (no initials)

b. Residence:

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State ZIP Code

c. If at residence less than five years, list addresses and dates occupied for past five years.

Date From      Date To      Number and Street      City      State      Zip Code

d. Date of birth: \_\_\_\_\_  
(Month) (Day) (Year)

e. Place of birth: \_\_\_\_\_  
(City) (State) (Country)

f. Social Security No.: \_\_\_\_\_

g. Citizenship: \_\_\_\_\_  
(Country) (Date, If Naturalized)



h. If not a U.S. citizen, Passport No.: \_\_\_\_\_  
Home Country ID No.: \_\_\_\_\_  
Father's name: \_\_\_\_\_  
Mother's maiden name: \_\_\_\_\_  
Immigration File No.: \_\_\_\_\_

i. Telephone and fax numbers where you may be reached during business hours:

\_\_\_\_\_ Are  
a Code - Telephone Number Fax Number

j. Trade names and/or other names used in place of given name and period of and reason for use.

<u>Name</u>	<u>Period of Use</u>	<u>Reason for Use</u>
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## 2. Employment Record

a. List employment in reverse chronological order for the last five years.

<u>Date From</u>	<u>Date To</u>	<u>Name, Location (City, State) Nature of Business</u>	<u>Position Held Nature of Duties</u>	<u>Reason for Leaving</u>
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b. Have you ever been dismissed or asked to resign from any past employment, including a less than honorable discharge from military service? ☐ Yes ☐ No

If "yes," complete the following:

<u>Employer's Name/ Address/Telephone</u>	<u>Position</u>	<u>Date of Discharge</u>	<u>Explanation</u>
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## 3. Education and Professional Credentials

a. List each diploma/degree from high schools, colleges, universities, or other schools.

<u>School's Name/Location</u>	<u>From</u>	<u>To</u>	<u>Degree</u>
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b. List each professional license or similar certificate you now hold or have held (for example, Attorney, Physician, CPA, NASD or SEC registration).

<u>License</u>	<u>Issuing Authority</u>	<u>Date Issued</u>	<u>Expiration</u>
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#### 4. Business and Banking Affiliations

- a. List any businesses (corporation, partnership, joint venture, trustee) with which you are associated.

<u>Business Name/ Location</u>	<u>Nature of Business</u>	<u>Position/ Relationship</u>	<u>Percent Ownership</u>	<u>From</u>	<u>To</u>
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- b. List any financial institutions with which you are or have been associated as an officer, director, partner, trustee, or owner (10% ownership or more of any class of stock).

<u>Financial Institution/ Location</u>	<u>Nature of Business</u>	<u>Position/ Relationship</u>	<u>Percent Ownership</u>	<u>From</u>	<u>To</u>
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- c. Are you now or are you proposed to be a "management official" as defined in the Depository Institution Management Interlock Act (DIMIA), (12 USC 3201-3208) of another insured depository institution or depository institution holding company? ☐ Yes ☐ No

If "yes," explain either why the potential interlock is not a violation of the DIMIA, or what action will be taken to prevent a violation of the DIMIA.

- d. Are you in the process of being considered for a senior executive officer or director position by any other regulatory agency? ☐ Yes ☐ No

If "yes," provide the name of the agency and the institution or holding company.

#### 5. Legal and Related Matters

(If "yes" is answered to any item in (a) - (e) below, describe the situation in detail, including the name and location of the institution, business, or parties involved, the date(s), nature of the charge/association/proceeding, name and address of court involved, and the disposition.)

- a. Have you ever been the subject, in your individual or corporate capacity, of a prior or current application or notice that was filed in final form and subsequently denied, withdrawn, or otherwise failed to obtain favorable action, or other regulatory matter and/or administrative action pertaining to any federal or state financial institution? ☐ Yes ☐ No

- b. Have you been associated as a senior executive officer, director, or principal shareholder (owning 10% or more of the outstanding stock) with any insured depository institution or financial institution holding company that has been subject to any enforcement action or have you been personally subject to a prohibition or removal order, civil money penalty, or other enforcement action? ☐ Yes ☐ No

- c. Have you been associated as a senior executive officer, director, or principal shareholder of any insured depository institution, as defined in 12 USC 1813(c), that: (1) failed, (2) received financial assistance from a financial institution depository agency (e.g., FDIC, Resolution Trust Corporation, or former Federal Savings and Loan Insurance Corporation), or (3) was a merger partner with an institution that received financial assistance from a financial institution depository agency? ☐ Yes ☐ No

- d. Have you ever been involved, or are you currently involved, in any lawsuit, formal or informal investigation, examination, or administrative proceeding (excluding routine or customary audits, inspections, and investigations) issued against, entered into by, or involving you or a company with which you are or were associated that may result in or resulted in any sanction, fine, monetary damage, loss of right or benefit, revocation of license, agreements, undertakings, consents or orders with any federal or state court, any department, agency, or commission of the U.S. government or state, municipal, or foreign government entity? ☐ Yes ☐ No
- e. Have you or any business or enterprise with which you have been associated as an officer, including a senior executive officer, director, or principal shareholder of 10% or more of outstanding stock, filed for bankruptcy or forfeited property? ☐ Yes ☐ No
- f. Have you ever defaulted on a personal loan, loan to your company, or loan in which you were a guarantor? If "yes," provide complete details, including direct and indirect debt terms, defaulted amount, and lender. ☐ Yes ☐ No
- g. Have you or any business or enterprise with which you are or were associated as an officer, including a senior executive officer, director or principal shareholder (owning 10% or more of the outstanding stock), been the subject of any law enforcement agency's charge, arrest, indictment, conviction, conviction whereby the record was subsequently expunged, or have you pleaded *nolo contendere* to any criminal matter (other than minor traffic violations)? ☐ Yes ☐ No

If "yes," complete the following:

<u>Name/Type of Business</u>	<u>Relationship/ Stock Owned</u>	<u>Nature of Charge/Proceeding</u>	<u>Date of Charge</u>	<u>Jurisdiction Location</u>	<u>Disposition</u>	<u>Date</u>
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## 6. Additional Information

Present any other information you believe is important to evaluate your filing. If you are involved in the organization of a new institution, discuss your specific role.

## FINANCIAL REPORT

FINANCIAL STATEMENT AS OF \_\_\_\_\_  
(in thousands)

Assets		Liabilities and Net Worth	
1. Cash on hand and in financial institutions	\$ _____	8. Accounts payable	\$ _____
2. Marketable securities (Schedule A)	_____	9. Notes payable and other loans (Schedule F)	_____
3. Other securities	_____	10. Real estate mortgages (Schedule C)	_____
4. Notes receivable (Schedule B)	_____	11. Other liabilities (Schedule G)	_____
5. Real estate (Schedule C)	_____	TOTAL LIABILITIES	_____
6. Proprietary interests (Schedule D)	_____	12. Net worth (Total assets less total liabilities)	_____
7. Other assets (Schedule E)	_____		
<b>TOTAL ASSETS</b>	<b>\$ _____</b>	<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$ _____</b>

### CONTINGENT LIABILITIES

In addition to the liabilities listed above, have you endorsed, guaranteed, or become otherwise indirectly or contingently liable for the debts of others or through a pending lawsuit? ☐ Yes ☐ No

If "yes," complete the following:

Name and Address of Debtor/Obligor	Name and Address of Creditor/Obligee	Description and Value of Collateral	Date Due	Current Amount
<b>TOTAL</b>				<b>\$ _____</b>

## SUPPORTING SCHEDULES

Schedules must agree in total with the appropriate item contained in the Financial Statement on page 13 of this report.

### Schedule A ) Marketable Securities

Indicate all debt and equity securities listed on an exchange or otherwise regularly traded in an open market. Separate debt and equity securities. Securities of closely held corporations should be listed on Schedule D-- Proprietary Interests. The description should include the name of the issuer; the principal amount or number of shares held; and the interest rate, if applicable. Small holdings may be aggregated and shown as "Other" provided that they account for no more than 10 percent of marketable securities.

Description	Market Value
	\$
TOTAL (carry forward to item 2)	\$

### Schedule B ) Notes Receivable

The description should include the name of the obligor; the note's maturity and terms of repayment; and a description of any collateral. If the note is payable to you and others jointly, indicate only your beneficial interest under Current Balance.

Description	Current Balance
	\$
TOTAL (carry forward to item 4)	\$

**Schedule C ) Real Estate and Related Loans**

List all real estate in which you hold a beneficial interest. Submit year-end financial statements, including profit and loss statements, for the last two years for each investment (exclude residence) in which you have an interest equal to 10 percent or more of your net worth. Also submit a cash flow statement on any investment property valued at greater than 10 percent of net worth.

Description and Location (City and State)	Owner of Property	% Owner-ship	Mortgage Holder	Maturity Date	Current Market Value*	Current Balance**
					\$	\$
TOTAL					\$	\$

\* Carry TOTAL forward to item 5

\*\* Carry TOTAL forward to item 10

**Schedule D ) Proprietary Interests**

List all business enterprises in which you hold a beneficial interest. The term "business enterprise" includes a corporation, association, partnership, business trust, sole proprietorship, or other business, the shares of which are not listed on a securities exchange or otherwise regularly traded. Under "Legal Form of Business," state the legal form of the business (corporation, joint venture, etc.) *(Submit year-end financial statements, including profit and loss and cash flow statements, for the last two years for each business interest in which you have an interest equal to 10 percent or more of your net worth).*

Name and Address of Business	Legal Form of Business	Nature of Business	% Ownership	Current Value
				\$
TOTAL (carry forward to item 6)				\$

**Schedule E ) Other Assets**

If any one asset amounts to 10 percent or more of net worth, briefly describe the asset. Include accounts receivable, merchandise and inventory at lower of cost or market value, machinery and equipment (less depreciation), life insurance at its cash surrender value, retirement funds (IRA, Keogh, etc.).

Description	Basis for Valuation	Current Value
		\$
TOTAL (carry forward to item 7)		\$

**Schedule F ) Notes Payable and Other Loans**

Indicate all loans or notes payable other than real estate mortgages listed in Schedule C. Loan origination information must include the original date, loan amount, and co-makers, if any, and their percent obligation. Small obligations may be aggregated and shown as "Other" provided that they account for no more than 20 percent of other loans and notes payable. Indicate any debt that is contractually delinquent by an asterisk next to the current balance.

Name and Address of Creditor and Loan Origination Information	Description and Value of Collateral	Maturity Date	Current Balance
			\$
TOTAL (carry forward to item 9)			\$

**Schedule G ) Other Liabilities**

If any one liability amounts to 10 percent or more of net worth, briefly describe it. Include interest and taxes due and unpaid, other debts accrued and other liabilities.

Payable To	Description	Maturity Date	Current Balance
			\$
TOTAL (carry forward to item 11)			\$

**Cash Flow Statement\***

<u>Sources of Cash</u>	19__	19__	Year to Date 19__	Projected Next Year 19__
Salaries, wages, commissions, or other employment income	\$	\$	\$	\$
Rents, royalties, and investments				
Income from dividends and interest				
Other sources				
Total cash received				
<u>Uses of Cash</u>				
Personal living expenses (rent, household, etc.)				
Fixed obligations				
Income taxes				
Other uses				
Total cash outlay				
NET CASH FLOW (deficit)	\$	\$	\$	\$

\*Discuss any significant changes and itemize any items amounting to 10 percent or more of total income on a separate page, including insurance payments. Fixed obligations include bank loans, other loans, amortization and other debt servicing, and nonloan expenses for real estate investments. Any loan proceeds and debt service associated with this transaction should be included in projections for "Other" sources and uses.



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**Privacy Act Notice**

A copy of this document is provided to the appropriate regulatory agency as required under various statutes and implementing regulation(s). To the extent that it contains personal and financial information about persons, the information may be subject to the Privacy Act of 1974 (5 USC 552a) which provides safeguards for personal information. The appropriate regulatory agency may, at its discretion, disclose any or all of the information obtained concerning you to other regulatory agencies or other law enforcement or governmental agencies, in connection with the investigation of a possible violation of any federal or state statute or when such release is determined to be in the best interest of the appropriate regulatory agency and consistent with the public interest and applicable law. The appropriate regulatory agency may obtain information about you from any and all sources without limitation. These documents are considered confidential and generally are exempt from public disclosure under the authority of 5 USC 552, relating to a personnel, medical, or similar record, including a financial record, or any portion thereof, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

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**CERTIFICATION\***

I understand that the appropriate regulatory agency may conduct extensive checks into my background, experience, and related matters in conjunction with my application or filing. I certify that the information contained in the biographical report and/or financial report has been carefully examined by me and is true, correct, and complete. I acknowledge that any misrepresentation or omission of a material fact, with respect to the foregoing, constitutes fraud in the inducement and may subject me to legal sanctions provided by 18 USC 1001 and 1007.

Signed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature\*

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Title (if applicable)

\_\_\_\_\_  
Title (if applicable)

\* If a joint financial statement is being submitted, both parties should complete the "Certification."

# Corporate Background and Financial Report

## General Information and Instructions

This *Background and Financial Report* (report) is used by a company or corporation in conjunction with other corporate filings to the appropriate regulatory agency. This report is **not** a stand alone document.

### Preparation

Use of this report is not mandatory. Alternative formats, if used, however, must provide all requested information, including the certification of accuracy. All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," or "unknown," so state. Answers of "unknown" should be explained.

The questions are not intended to duplicate information supplied on another form or in an exhibit; a cross reference to the information is acceptable. If this report is used, questions should be answered in the space provided. Use additional sheets as necessary. If the report is not complete, the OCC may either request additional information or return the filing.

Financial statements submitted with this report must be based on current market value in United States dollars, rounded to the nearest thousand dollars, and agree with any totals in the supplementary schedules. In addition to the sample financial schedules, the applicant may wish to provide supplementary schedules for other items on the financial statements.

Generally, a company seeking to charter a new national bank or acquire control of a national bank should complete this report. Other companies (e.g., a company sponsor for a proposed new bank) also may be required to complete applicable portions of the biographical report. Each filer must report promptly any material change in the biographical report and/or financial condition that occurs during the review period for this filing.

### Financial Statement

In general, corporations must file financial data for the previous two fiscal periods. The OCC may review FR Y-6 reports, SEC 10-K reports, Annual Reports to Stockholders, reports of examination, financial statements, and any other information available to it in its supervisory capacity. Audited financial information may be requested. The OCC specifically reserves the right to require up to five years of financial data from any acquiring corporation.

### Confidentiality

In general, requests for confidential treatment of specific portions of the application must be submitted in writing concurrently with the submission of the application and must discuss the justification for the requested treatment. Applicant's reasons for requesting confidentiality should demonstrate specifically the harm (e.g., to its

competitive position, invasion of privacy) that would result from public release of information (5 USC 552). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference to the confidential section; (2) separately bound; and (3) labeled "Confidential." Applicant should follow the same procedure to request confidential treatment for the filing of supplemental information to the application.

The OCC will determine whether the information submitted as confidential will be so regarded and will advise the applicant of any decision to make available to the public information labeled as "Confidential."

# Corporate Background and Financial Report Form

This is filed for:

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Name of Subject Institution or Holding Company, Location

## Type of Filing

- ☐ Bank/Thrift Charter
- ☐ Bank/Thrift Holding Company
- ☐ Change in Bank Control
- ☐ Change in Senior Executive Officer or Director
- ☐ Citizenship Waiver
- ☐ Charter Conversion
- ☐ Deposit Insurance
- ☐ Federal Branch or Agency
- ☐ Other \_\_\_\_\_

## Position

- ☐ Organizer
- ☐ Director
- ☐ Senior Executive Officer
- ☐ Principal Shareholder
- ☐ Trustee
- ☐ Manager
- ☐ Other \_\_\_\_\_

## BACKGROUND REPORT

### 1. Corporate Information

(a) Business Name

---

(b) Mailing Address

---

(Address)

(City)

(State)

(ZIP Code)

(c) Date Established

---

(Month)

(Day)

(Year)

(d) Place Incorporated or Operating

---

(City)

(State)

(e) Nature of Business

---

(f) Trade names and/or other names used in place of given name, period of use, and reason why.

Name

Period of Use

Reason for Use

(g) List of subsidiaries and affiliates of the company. (An organization chart may be provided for names and relationships to the parent.)

Name

Location  
(City, State)

Relation to  
Company

Percent  
Owned by  
Company

Nature  
of  
Operation

## 2. Credentials

Indicate each professional license or similar certificate the corporation, its affiliates, and subsidiaries now holds or has ever held (e.g., brokerage, fiduciary, real estate or insurance license, National Association of Securities Dealers (NASD), Securities and Exchange Commission (SEC) registration), and complete the following:

<u>License</u>	<u>Issuing Authority</u>	<u>Date Issued</u>	<u>Date Expire</u>
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## 3. Business and Banking Affiliations

Indicate any business (corporation, partnership, joint venture, or trustee) with which the corporation, its affiliates, and subsidiaries are the principal shareholder (e.g., 10 percent ownership or more of any class of stock).

<u>Business Name/ Location</u>	<u>Nature of Business</u>	<u>Position/ Relationship</u>	<u>Percent Ownership</u>	<u>From</u>	<u>To</u>
------------------------------------	---------------------------	-----------------------------------	------------------------------	-------------	-----------

If a "person" filing a change of control notice or sponsoring a national bank charter is a corporation, trust, partnership, or other organization, show the names and addresses of principal officers, directors, principal stockholders, partners, or persons holding similar positions.

<u>Name</u>	<u>Address</u>	<u>Position/Relationship</u>
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## 4. Legal and Related Matters

(If "yes" is answered to any item in (a) - (e) below, describe the situation in detail, including the name and location of the institution, business, or parties involved, the date(s), nature of the charge/association/proceeding, name and address of court involved, and the disposition.)

- (a) Has the corporation, its affiliates, or subsidiaries ever been the subject of an application or notice that was filed in final form with the Office of the Comptroller of the Currency (OCC), Federal Reserve Board (FRB), Office of Thrift Supervision (OTS), or the Federal Deposit Insurance Corporation (FDIC)? ☐ Yes ☐ No

If "yes," was such application or notice subsequently denied, withdrawn, or otherwise failed to obtain favorable action? ☐ Yes ☐ No

- (b) Has the corporation, its affiliates, or subsidiaries, in the last five years, been involved or is currently involved, in any lawsuit, investigation, examination, or administrative proceeding (excluding routine or customary audits, inspections, and investigations) that may result in or resulted in any sanction, fine, monetary damage, loss of right or benefit, revocation of license, agreements, undertakings, consents or orders with any federal or state court, any department, state or federal agency, or commission of the U.S. government or state, municipal, or foreign government entity? (Except for criminal convictions, list only those actions reported to the SEC within the last five years. If the corporation does not report to the SEC, list any action reported to a federal regulatory body or that involves a significant dollar amount in fines or payments from a civil action.) ☐ Yes ☐ No

- (c) Has the corporation, its affiliates, or subsidiaries or any of their senior executive officers, directors, or principal shareholders (owning 10 percent or more of the outstanding stock), been the subject of any law enforcement agency's charge, arrest, indictment, conviction, or pleaded *nolo contendere* to any criminal matter (other than minor traffic violations)? ☐ Yes ☐ No

If "yes," complete the following:

<u>Name/Type of Business</u>	<u>Relationship/ Stock Owned</u>	<u>Nature of Charge/Proceeding</u>	<u>Date of Charge</u>	<u>Jurisdiction Location</u>	<u>Disposition Date</u>
------------------------------	----------------------------------	------------------------------------	-----------------------	------------------------------	-------------------------

- (d) Has any senior executive officer, director, or principal shareholder (owning 10 percent or more of the outstanding stock) of the corporation, its affiliates, or subsidiaries, ever been involved with an insured depository institution, as defined by 12 USC 1813(c), that: (1) failed; (2) received financial assistance from a financial institution depository agency (e.g., FDIC, Resolution Trust Corporation, or former Federal Savings and Loan Insurance Corporation); or (3) was a merger partner with an institution that received financial assistance from a financial institution depository agency? ☐ Yes ☐ No
- (e) Attach a copy of the corporation's latest annual report submitted to the SEC.<sup>1</sup>
- (f) Has the corporation, its affiliates, or subsidiaries filed for bankruptcy or forfeited property? ☐ Yes ☐ No
- (g) Has the corporation, its affiliates, or subsidiaries ever defaulted on a loan for which it was a guarantor? ☐ Yes ☐ No

If "yes," provide complete details, including direct and indirect debt terms, defaulted amount, and lender.

## 5. Additional Information

Present any other information believed important to evaluate the filing. If involved in the organization of a new institution, discuss the corporation's proposed role.

## 6. Financial Statement

Attach corporate financial data.

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<sup>1</sup>If the corporation is not required to submit reports to the SEC, the OCC may require other specified information. Contact the appropriate district office for further discussion.

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### CERTIFICATION

I, \_\_\_\_\_, Secretary for \_\_\_\_\_ (name of company filer), understand that the OCC may conduct extensive checks into the background, experience, and related matters of \_\_\_\_\_ (name of company) and its subsidiaries and affiliates in conjunction with our application or filing to \_\_\_\_\_ (type of filing and capacity). The board understands that the OCC may, at its discretion, disclose any or all of the information obtained about the company, its affiliates, and its subsidiaries to other financial institution regulatory, law enforcement, or governmental agencies, in connection with the investigation of a possible violation of any federal or state statute, or when such release is in the best interest of the OCC and consistent with the public interest and applicable law. As duly authorized by the company's board of directors, I hereby authorize the OCC to obtain information about the company, its subsidiaries, and its affiliates from any and all sources, without limitation. I further authorize the OCC to communicate to other regulatory, law enforcement, or governmental agencies all information about the company, its subsidiaries, and its affiliates obtained or otherwise held in the OCC's possession.

I certify that the information contained in the attached (biographical report, financial statement, and/or foreign certification) has been examined carefully by me on the company's behalf and is accurate, complete, and made in good faith. I acknowledge that any misrepresentation or omission of a material fact, in any of these documents, constitutes fraud in the inducement and may subject the company to legal sanctions provided by 18 USC 1001.\* \*

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Title (if applicable)

***Affix Corporate Seal***

\* Principal shareholder means a person or a corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization, or other form of entity not specifically listed with the power to directly or indirectly vote 10 percent or more of the outstanding stock of the institution.

\* \* A copy of the corporate resolution by the company's board of directors should be attached.

## Foreign Certification

This certification must be submitted by all persons who are foreign nationals, or United States citizens who currently reside in a foreign country. Provide this form to the bank in which you have your primary banking relationship (loans and deposit accounts) and to any other officials from whom the OCC instructs you to obtain a certified statement. Request that a person in a position of authority complete the form and submit it with your filing. **Filings will not be considered complete without this certification.** A list of businesses or enterprises, for which you are an officer, director, or controlling owner, must be supplied to certifying officials with this form.

*Applicant/person*

Complete the following for the certifying official:

(First)	(Middle)	(Last)
(Other Names Used)		
(Address)		

## Instructions to Certifying Officials

The person previously identified seeks clearance to enter the depository institution system in the United States of America. To help us assess the person's personal integrity, financial capacity, and suitability for involvement in the depository institution system, you are requested to complete *all applicable items* on this form and return it to the person for submission to the Comptroller of the Currency, (insert district office address).

Please type or print clearly all responses.

*All Officials*

Complete the following:

1. Do you have any adverse information about this person's honesty, trustworthiness, or personal integrity or about activities involving this person that violated or allegedly violated the law? ☐ Yes ☐ No

If "yes," provide details.

2. To the best of your knowledge, has the named person or any business or enterprise, in which the person is an officer, director, or controlling owner, ever been charged, arrested, indicted, or convicted of a criminal offense or ever



been subject to other disciplinary action? (A list of pertinent businesses or enterprises should have been supplied by the person submitting this request.)  
☐ Yes ☐ No

If "yes," describe the nature of the charge, date, and disposition.

3. Are there any reasons why you would not recommend this person for clearance and entry into the depository institution system of the United States of America?  
☐ Yes ☐ No

If "yes," provide reasons.

### *Bank Officials Only*

Complete the following:

1. How long has this person had a relationship with the bank?

\_\_\_\_\_ Months    \_\_\_\_\_ Years

2. Has the named person or any business or enterprise in which the person is an officer, director, or controlling owner caused the bank to sustain a loss or been subjected to criticism by the bank's regulator as a result of an extension of credit or due to his/her relationship with the bank?  
☐ Yes ☐ No

If "yes," provide details.

I certify that the information provided is complete and accurate as of this date  
\_\_\_\_\_. This certification is based on (*provide brief description of records or information sources checked*).\*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Position (type or print clearly)

\_\_\_\_\_  
Location of Authority/Agency/Bank

\_\_\_\_\_  
Telephone Number (including country code)                      Fax Number

\* Please sign any additional pages.

## Appointment of Agent

A copy of the corporate resolution should also be attached.

"I, \_\_\_\_\_, Secretary for \_\_\_\_\_ (name of foreign company) \_\_\_\_\_, consent and submit to the personal jurisdiction of any federal court of competent jurisdiction and/or any federal banking authority for any investigation or possible investigation, action, subpoena, examination, or proceedings by any federal depository authority or the United States Department of Justice relating to the administration or enforcement of any banking law or pursuant to any banking law, including, in particular, Section 8 of the Federal Deposit Insurance Act (FDIA). The company hereby designates \_\_\_\_\_ (name of United States agent) \_\_\_\_\_, subject to approval of the appropriate federal depository regulatory agency, to accept service on my behalf, including service of any process, notice, order, or subpoena. My designated agent's address is \_\_\_\_\_ and his/her business telephone number is \_\_\_\_\_. My designated agent is authorized to accept such service. The company will not change this designation without notice to and consent of the appropriate federal depository regulatory agency."

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Position (type or print clearly)

## IRS Tax Check Waiver

OCC Control Number: \_\_\_\_\_

### TAX CHECK WAIVER

I am signing this waiver to permit the Internal Revenue Service (IRS) to release information about me which would otherwise be confidential. This waiver is made pursuant to 26 USC 6103(c).

I request that the IRS release the following information to the (name of agency or designee).

1. Have I failed to file a federal income tax return for any of the last three years for which the filing of a return might have been required: (If the filing date without regard to extensions and normal processing period for the most recent year's return has not yet elapsed on the date IRS receives this waiver, and the IRS records do not indicate a return for the most recent year, the "last three years" will mean the three years preceding the year for which returns are currently being filed and processed.)
2. Is there any tax, penalty or interest liability for which the IRS gave notice of the amount due and requested payment that has been outstanding for more than 90 days and that I have not yet paid?
3. Am I now or have I ever been under investigation by the IRS for possible criminal offenses?
4. Has any civil penalty for fraud been assessed against me during the current or last three calendar years?

I authorize the IRS to release any additional relevant information necessary to respond to the questions above.

To help the IRS find my tax records, I am voluntarily giving the following information:

My Name (print or type): \_\_\_\_\_

My Social Security Number: \_\_\_\_\_

Current Address: \_\_\_\_\_

\_\_\_\_\_

Telephone Numbers: (home) \_\_\_\_\_ (work) \_\_\_\_\_  
(Please include area codes.)

If married and filed a joint return:

Name of Spouse \_\_\_\_\_ Spouse SSN: \_\_\_\_\_

Names and addresses shown on last three years' returns (if different from above).

<u>Year</u>	<u>Name(s)</u>	<u>Address</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

If a return for any of the last three years was not filed, please explain why. If there was insufficient income to meet filing requirements, or filing requirements were met by filing with a foreign tax agency (e.g., Puerto Rico or the Virgin Islands), please describe the circumstances.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_  
(Waiver invalid unless received  
by the IRS within 60 days of this  
date.)

Signature: \_\_\_\_\_  
(Signature of taxpayer authorizing the  
disclosure of return information)

## Licensing Staff

1. Refers filer, if appropriate, to this booklet.
2. Provides information to the filer about additional forms and information required to conduct background investigations and:
  - Distributes to each candidate background investigation forms and fingerprint cards, as appropriate.
  - Instructs the filer, in writing, that the provision of legible fingerprints is his/her responsibility and is required by the OCC to investigate the party's background thoroughly.
  - Suggests having fingerprints taken at the local police or law enforcement office or certain post offices where fingerprinting services are available.
  - Instructs filer to return fingerprint cards to the Licensing staff with the corporate filing.

## Filer

3. Files appropriate background investigation forms together with the corporate filing and any applicable filing fees to the OCC.

## Licensing Staff

4. Reviews the background investigation information and forms for accuracy and completeness.
5. Performs standard background checks unless waived.
6. If standard background checks are waived, documents the reasons for the waiver in the official file.
7. Forwards completed fingerprint cards, OCC Form 9020-01, and, if appropriate, other background investigation requests to Bank Organization and Structure (BOS) for processing.
8. Conducts EARS and FinCEN searches, if appropriate, and determines if:

- A regulatory agency has taken any enforcement action or made criminal referrals against the filer.
  - The filer has been involved in insider abuse.
    - ☐ FinCEN
    - ☐ EARS
9. If applicable, forwards the following information to BOS on any foreign national:
- ☐ Name and any known aliases.
  - ☐ Date and place of birth (country).
  - ☐ Current address.
  - ☐ Current title/position.
  - ☐ Name of employer.
  - ☐ Full name of both parents.
  - ☐ Passport number.
  - ☐ National identification number (if applicable).
  - ☐ List of countries that should be checked.
  - ☐ Relatives working in the home country local government.
10. Performs optional background checks appropriate to the particular circumstances.
11. Notifies by registered/certified mail, any filer for whom adverse information is received and allows the filer to complete, correct, or challenge the information prior to the OCC making a decision and makes appropriate Corporate Activities Information System (CAIS) entries.
12. If a specific person in the related corporate filing is denied or objected to, because of information received in the background investigation, provides this information to the appropriate portfolio manager of the bank with which applicant is affiliated and submits EARS and FinCEN Entry Request Form to District Counsel and makes appropriate CAIS entries.
13. Refers to the appropriate corporate booklet for processing of application or notice.

## **Background Investigations**

Law	12 USC 1817(j)(2)(B)
Regulations	28 CFR 16.34, 20.33, 50.12

## **Change in Bank Control**

Law	12 USC 1817(j)
Regulation	12 CFR 5.50

## **Changes in Directors and Senior Executive Officers**

Law	18 USC 1831i
Regulation	12 CFR 5.51

## **Civil Money Penalties**

Laws	12 USC 504, 1818(l); 18 USC 1001, 1007
Issuance	PPM-5000-7 (Rev.)

## **Crimes and Penalties**

Law	18 USC 1001
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## **Depository Institutions Management Interlocks Act**

Laws	12 USC 3201-3208
Regulation	12 CFR 26

## **Federal Branches and Agencies**

Laws	12 USC 35, 3101-3111
Regulation	12 CFR 28

## **Organization of a National Bank**

Law	12 USC 21
Regulation	12 CFR 5.20

## **Penalty for Unauthorized Participation by Convicted Individual**

Law	12 USC 1829
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## Management Review Guidelines

The OCC has developed these guidelines to assist national bank directors and organizing national bank directors (board of directors) in their selection of proposed management officials.

The selecting officials should:

1. Require each proposed executive officer (candidate) to submit information requested in the [Interagency Biographical and Financial Report](#), if necessary, to the board of directors for review.
2. Perform a credit check of the candidate, identifying the credit bureaus or other sources used.
3. Contact the candidate's references and summarize by name the comments received.
4. Contact the candidate's previous employers and summarize by name and employer the nature of comments provided (e.g., positive, negative, no comment).
5. Prepare or obtain a summary of the candidate's duties in previous positions and discuss how that experience relates to the job description under consideration. Discuss relevant information, such as:
  - Size and type of loan portfolio supervised, loss/earnings record, and amount of loan approval authority.
  - Personnel administration record, including the number and type of employees supervised and the candidate's performance record.
  - Policy development and implementation experience.
  - Asset/liability management strategies employed.
  - Investment strategies employed.
  - Internal control, audit, and management information systems developed.

6. Describe all terms of employment, including proposed salary, methods used to determine the amount of salary, employment contract, and other compensation.
7. Describe the major duties and responsibilities of the position (if necessary).
8. If applicable, evaluate and prepare documentation to support an exemption under the Depository Institutions Management Interlocks Act (DIMIA). Refer to the "[Management Interlocks](#)" booklet.
9. If OCC approval is required, submit the following information with the appropriate request:
  - ☐ Board's written evaluation, reflecting its assessment of the proposed management official (results from steps 2 through 8).
  - ☐ [Interagency Biographical and Financial Report](#) (if necessary).
  - ☐ If applicable, request for DIMIA exemption.

# **Joint Statement of Guidelines on Conducting Background Checks and Change in Control Investigations**

Date: January 22, 1988

This guideline is issued jointly by the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration, hereinafter referred to, collectively, as "the agencies."

The agencies routinely perform Federal Bureau of Investigation (FBI) and other background checks on individuals seeking to enter the depository institution business through establishment of new depository institutions or depository institution holding companies, or through changes in control. The agencies agree on the following guidelines regarding such background investigations on individuals.

## **Standard Background Checks**

The agencies will perform as necessary the following standard background checks on all individuals subject to background investigations:

- FBI General Index Namecheck;
- United States Custom Service Namecheck;
- Drug Enforcement Administration Namecheck;
- Search of internal agency records and of databases to which the agencies have access;
- Check records on an interagency basis when an individual has been involved with institutions under another agency's regulatory jurisdiction; and
- Check with state depository institution regulatory agencies when an individual has been involved with institutions under a state's regulatory jurisdiction.

The agencies may not perform some of the standard background checks if, in individual circumstances, it is apparent that performance of the check is redundant, does not serve the agency's purpose for the background investigation, or other reasons.

## **Discretionary Background Checks**

The agencies will pursue any additional background checks they believe are appropriate to individual circumstances. Such checks may include, but are not limited to, requests for background information from the Internal Revenue Service, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Association of Securities Dealers, Interpol, the Central Intelligence Agency, the U.S. State Department, and state and local law enforcement agencies.

## **Background Investigations Requiring Fingerprints**

The agencies may obtain fingerprints from individuals if fingerprints are required to access information necessary for a background investigation. Fingerprints will be obtained at the discretion of the agencies, and particularly, if information obtained from the standard and discretionary checks suggest that further investigation of an individual are warranted.

## **Documentation of Scope of Background Checks**

The agencies will establish procedures for documenting the scope and results of background investigations in case files.

## **Background Investigations for Change in Control and/or Holding Company Notices**

The Change in Bank Control Act (12 USC 1817(j)) and the Change in Savings and Loan Control Act (12 USC 1730(q)) require the agencies to conduct an investigation of the competence, experience, integrity, and financial ability of a proposed acquirer, and to make an independent determination of the accuracy and completeness of any information submitted in a change in control notice. Accordingly, the agencies will:

- Investigate the backgrounds of all change in control notice filers in accordance with the guidelines on background checks contained herein;
- Require public notice of a change in control filing and solicit public comment except in supervisory cases;
- Obtain copies of all pertinent purchase and sale agreements and related documents describing the terms and conditions of a proposed acquisition;
- Obtain copies of any loan agreements and commitment letters relating to funds borrowed to make a proposed acquisition;

- Obtain copies of any invitations or tenders or advertisements making a tender offer to stockholders for purchase of their stock to be used in connection with a proposed acquisition; and
- Obtain a signed financial statement from a proposed acquirer that includes detailed information on all significant assets and liabilities and on current and projected cash flow.

The agencies may require any additional information deemed necessary to make an independent determination of the accuracy and completeness of any information contained in a change in control notice.

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/s/ Robert J. Herrmann  
Senior Deputy Comptroller for Bank Supervision Policy  
Office of the Comptroller of the Currency

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/s/ William Taylor  
Director, Division of Banking Supervision and Regulation  
Board of Governors of the Federal Reserve System

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/s/ Paul G. Fritts  
Director, Division of Bank Supervision  
Federal Deposit Insurance Corporation

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/s/ Darrell Dochow  
Executive Director, Office of Regulatory Policy, Oversight, and Supervision  
Federal Home Loan Bank System

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/s/ Nicholas Veghts  
Director, Department of Supervision, Office of Examination and Insurance  
National Credit Union Administration